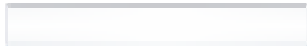


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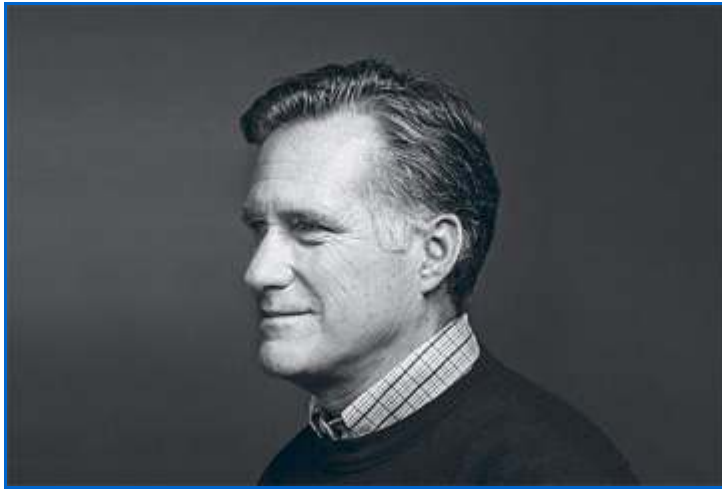
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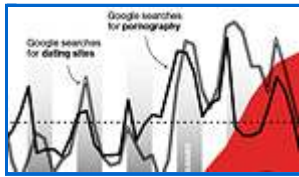


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# Chu Set to Tell Obama Loans Healthy Before Solyndra Failed

By Mark Drajem on August 09, 2012

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U.S. Energy Secretary Steven Chu was set to assure President Barack Obama in mid-2011 that all loans in the department's clean-energy program would be repaid, just two months before the bankruptcy of recipient Solyndra LLC.

A draft prepared by Energy Department officials for Chu to brief Obama on June 27, 2011, also pushed to continue the program, slated to expire three months later, according to documents released today by the Republican-led House Committee on Oversight and Government Reform.

The e-mails show Chu seeking to defend the program amid objections by officials in the White House, Treasury Department and Office of Management and Budget. Chu told aides in an e-mail that the document for the briefing was "missing important information" and needed to explain: "Why did the loans take so long, and why was there so much interagency angst?"

Treasury and OMB officials worried that companies aided by the program were getting excessive subsidies in the loan terms, which allowed "Unjust enrichment," Chu wrote.

The documents "show how many people in the administration had serious doubts" about the program, Frederick Hill, a spokesman for the oversight panel, said today. Given the upbeat presentation, were the program's risks "kept away from the president?" he asked.

## **'Deep Trouble'**

Solyndra, a solar-panel maker in Fremont, California that received a \$535 million U.S. loan guarantee, sought bankruptcy protection in September and fired its 1,100 workers. The Energy Department restructured terms of its loan in early 2011, as the company's finances began to wobble.

None of the information released today mentioned Solyndra. Chu told lawmakers in November that by June 2011 he was aware that Solyndra was "in deep trouble."

The U.S. program also backed Beacon Power Corp. ([BCONQ](#)), an energy-storage company that sought bankruptcy protection in October, with a \$43 million loan guarantee in August 2010. Abound Solar Inc., a solar-panel maker, shut after borrowing \$70 million from the U.S.

Congressional Democrats and the White House have repeatedly said the loans were made on the merits, and not as a result of political pressure. The latest e-mails further underscore that point, according to Damien LaVera, a spokesman for the Department of Energy.

## **On Merits**



“Everything in the more than 900,000 pages of documents we have voluntarily provided to Congress validates what we have said from day one: All decisions on loan applications were made on the merits after careful review by career officials and technical experts in the loan program,” LaVera said in an e-mail.

The briefing by Chu for Obama was scheduled because “at official events and political events he interacts with business community and Congressional members” who have “affiliation or interest” in applications for backing in the program, according to an e-mail to Chu on June 24 from Brandon Hurlbut, Chu’s chief of staff. “The president has likely heard a wide range of feedback on the program and wants to know its status.”

White House officials asked Chu to discuss two projects in particular, the Cape Wind Associates LLC wind farm project off the coast of Nantucket in Massachusetts and USEC Inc. ([USU](#))’s bid to build an enrichment plant for uranium in Piketon, Ohio. The governor of each state -- Democrat Deval Patrick in Massachusetts and Republican John Kasich in Ohio -- had pressed Obama on the projects, Hurlbut wrote.

Both loan applications are still pending with the government.

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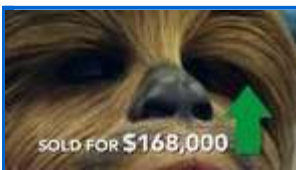
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